Fleet Management Controls

Management Control Conference
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Fleet Forces Command Mission

- *Organize, man, train, and equip naval forces for assignment to Combatant Commanders.*
- *Articulate Fleet warfighting and readiness requirements to the Chief of Naval Operations.*

Fleet Forces Command Vision

- *Efficiently prepare active and reserve naval forces to win in combat*
- *Develop authoritative Fleet-coordinated readiness and warfighting requirements*
- *Explore transformational concepts; and*
- *Provide agile, powerful and persistent sea based forces to Joint Commanders*

Effectiveness and efficiency are deeply embedded. .

FFC Major Focus Areas

Organizational Alignment

Establish FFC as the single fleet commander responsible for readiness and requirements

Current Readiness

Ensure high levels of fleet readiness and responsiveness by expanding and exploiting the FRP

Efficient Use of Resources

Incorporate the business dimension into planning and execution at all levels of command

Fleet-driven Requirements Process

A single, authoritative, coordinated Fleet-driven voice in the requirements process

Active/Reserve Integration

Structure, man, train and equip the Naval Reserve to better support Navy mission requirements

. . . and are a primary focus area

Fleet Management Control Philosoph

- Culture of Efficient Generation of Readiness
  - Primary emphasis on ROI and business strategy
  - Understand Costs, Key Performance Indicators, and Return on Investment
- Efficiency generation and risk management are responsibilities of all levels of command
  - Internal Controls are vital to accomplishing cultural transformation
  - Critical in meeting Fleet goals and objectives

This is about input and output . . . and attacking costs through efficiencies and acceptance of risk

Fleet Management Control Realities

- DON's multiple assessment oversight programs are viewed as redundant and providing conflicting results
  - Does not provide a synergistic view
  - Standards, controls, corrective actions and assessed areas independently determined
- Current Management Control practice approximates a stand-alone program instead of policy
  - Diminishes impact and perceived responsibility
  - Not viewed as part of core mission therefore an undue burden
- Assessment must be value added and help drive Fleet focus areas
  - Build on existing data collection tools
  - Address issues of importance to Commander, FFC
  - Link to planning readiness and resource systems

Management Control Analysis

- Department of Navy Inspection Program (DONIP) is the umbrella program for all assessments
  - All inspections conducted within DON are subject to review by the Naval Inspector General for adherence to objectives and policies (SECNAVINST 5040.3A)
  - Echelon 2's responsible for General Oversight - includes coordination, monitoring, & establishment of objectives
  - Expansion of MCP beyond fiscal intent of governing documents brings it under this umbrella

Management Control Approach

Meet Fleet needs through a uniform assessment of Fleet performance, ROI, risk, readiness and alignment

- Incorporate Department of Navy Inspection program audit follow up, management control and command evaluation requirements and CNO Echelon 2 reviews.
- Integrate MC Plan elements within DONIP self-assessment guidance
- Eliminate redundancy with Audits / ICAVs/ INSURV/DONIP

Management Control Requirements

- Must be integrated, flexible and realistic
  - Utilize current readiness inspections / performance measurements and compliance reviews
- Use continuous monitoring and evaluation for self assessment
  - Provide manuals and tools online
  - Assess data at Echelon 2 level
- Different approaches afloat and ashore
  - Consolidate results into one at Echelon 2
  - ICAVs Afloat, Command Self Assessment Ashore

Afloat Implementation - ICAVs

What are ICAVs?

- **Inspections**
- **Certifications**
- **Assessments**
- **Assist Visits**

of Afloat Units during Inter-Deployment Readiness Cycle (IDRC)

ICAVS are Afloat "Assessable Units"

ICAV Process

- Current inspections and processes for mission and readiness meet intent of “internal controls” of program.
  - Commanders / CO’s utilize these inspections and processes to “manage risk”
  - Request assistance as needed (e.g., report of risk)
  - All tools available to each Commander / CO to measure performance and assess risk.
- Senior Working group, using ORM, change, monitor, and revalidate approved ICAV’s.
  - Formal, standardized process for assessing and validating proposed changes to ICAV’s.
  - Fleet IG’s responsible for coordinating and monitoring review of proposed changes

shore Implementation - CSAT

Command Self Assessment Tool

- ◆Plans and Policy
- ◆Resource Management
- ◆Process Management
- ◆Quality of Service
- ◆Organizational Alignment
- ◆Management Information
- ◆Command Specific

- Statement of Assurance developed from Self Assessment results and Inspection/ Audit findings
- Management Control Plan = Completed Self Ass

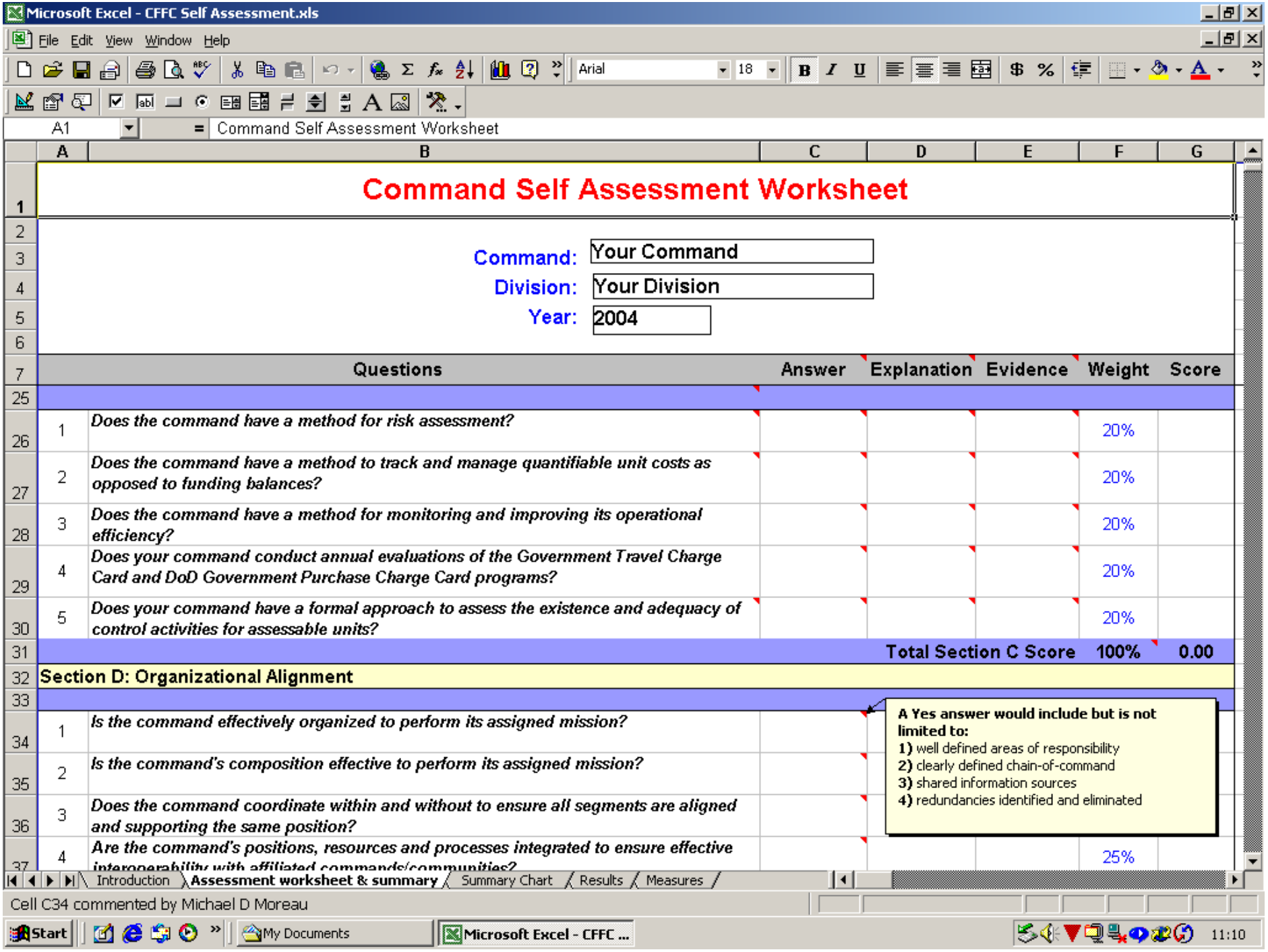
Process & Resource entries are Ashore “Assessable Units”

Command Self Assessment Process

- Automated Tool is vehicle for meeting MCP requirements
  - Categories address assessable unit requirements
  - Evidence Section catalogs risk assessments
  - Summary Chart identifies potential weaknesses
  - Performance Measures allow for corrective action
- Fleet IG's coordinate development
  - Monitor key performance measures
  - Analyze self assessments for trends and indicators of areas for further scrutiny
  - Perform on site assessments of specific areas
  - Translate self assessments into Management Control Reporting Requirements

CSAT OVERVIEW

- Excel Spreadsheet
  - No special software required
  - User friendly
- Designed specifically for NMCI systems
- Custom designed for Command Assessment
  - Questionnaire with interactive guidelines
  - Summary Chart and Results
  - Key Performance Measures
  - Automated scoring system
- Other enhancement features:
  - Merging of questionnaires
  - Editing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Arial 18
A1 = Command Self Assessment Worksheet
Command Self Assessment Worksheet
Command: Your Command
Division: Your Division
Year: 2004
Questions | Answer | Explanation | Evidence | Weight | Score
1 Does the command have a method for risk assessment? 20%
2 Does the command have a method to track and manage quantifiable unit costs as opposed to funding balances? 20%
3 Does the command have a method for monitoring and improving its operational efficiency? 20%
4 Does your command conduct annual evaluations of the Government Travel Charge Card and DoD Government Purchase Charge Card programs? 20%
5 Does your command have a formal approach to assess the existence and adequacy of control activities for assessable units? 20%
Total Section C Score 100% 0.00
Section D: Organizational Alignment
1 Is the command effectively organized to perform its assigned mission?
2 Is the command's composition effective to perform its assigned mission?
3 Does the command coordinate within and without to ensure all segments are aligned and supporting the same position?
4 Are the command's positions, resources and processes integrated to ensure effective interoperability with affiliated commands/communities? 25%
A Yes answer would include but is not limited to:
1) well defined areas of responsibility
2) clearly defined chain-of-command
3) shared information sources
4) redundancies identified and eliminated
Introduction Assessment worksheet & summary Summary Chart Results Measures
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Microsoft Excel - CFFC Self Assessment.xls

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A1 = Assessment Summary

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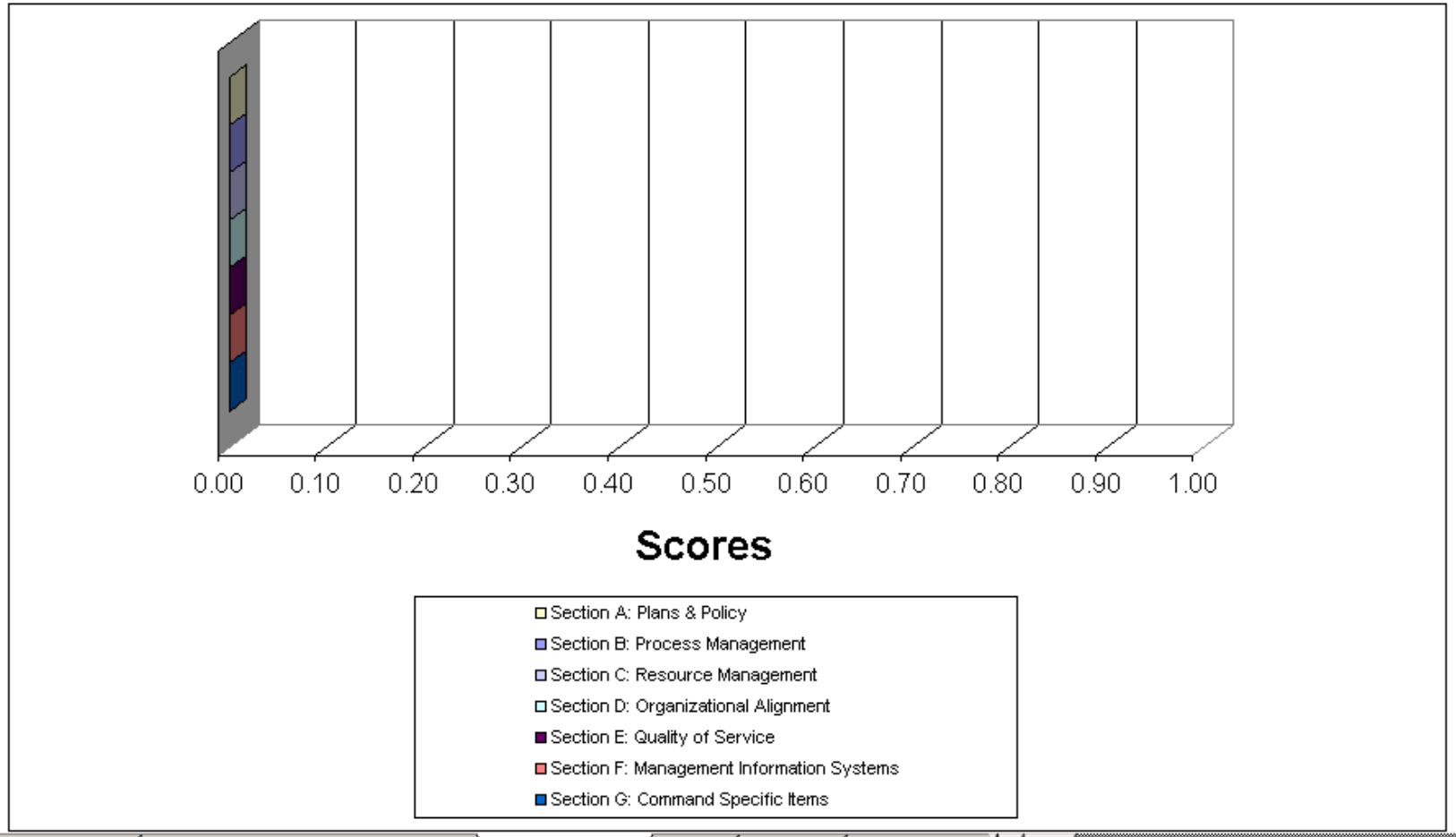
Assessment Summary



Introduction | Assessment worksheet & summary | Summary Chart | Results | Measures

Ready

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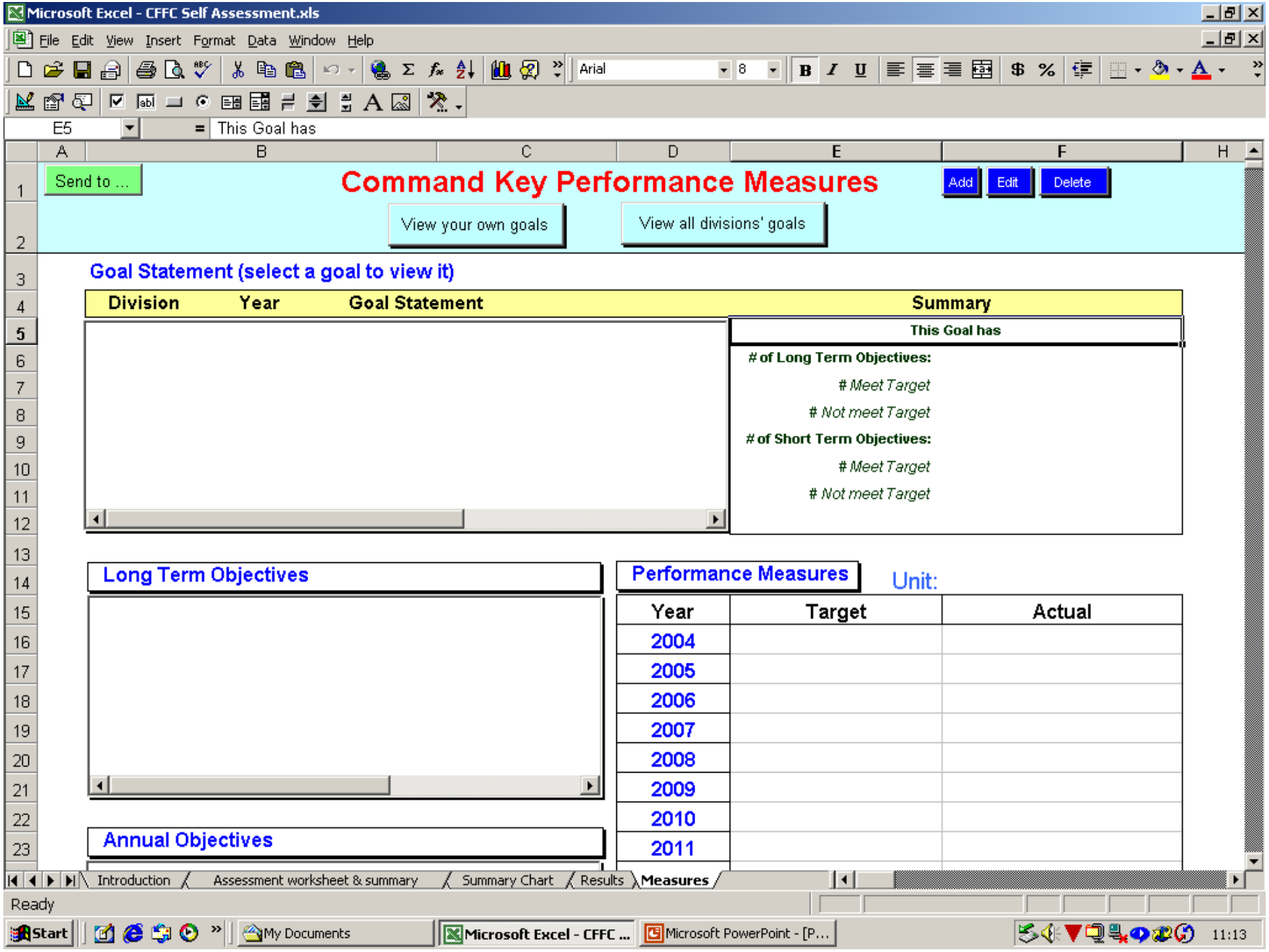
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E5 = This Goal has
Send to ...
Command Key Performance Measures
Add Edit Delete
View your own goals
View all divisions' goals
Goal Statement (select a goal to view it)
Division Year Goal Statement
Summary
This Goal has
# of Long Term Objectives:
Meet Target
Not meet Target
of Short Term Objectives:
Meet Target
Not meet Target
Long Term Objectives
Annual Objectives
Performance Measures
Unit:
Year Target Actual
2004
2005
2006
2007
2008
2009
2010
2011
Introduction Assessment worksheet & summary Summary Chart Results Measures
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Desired Outcomes

The bottom line remains combat readiness . . .

All Hands will take on the challenge and

- Cooperatively participate in cost avoidance efforts
- Aggressively identify inefficient practices
- View all facets of the status quo with an eye toward ROI
- Distinguish the “nice to have” from the “need to have”
- Challenge long-standing Fleet practices and requirements
- Make savings available for Navy recapitalization
- Account for efficiency in assessments of subordinates

QUESTIONS?

FLEET FORCES COMMAND